

City Council Meeting Transcript - 10/30/2012

'
... and that is on this
chart right here.

We have the secondary and
primary voltage customers
and they saw corresponding
decrease in the fuel charge.

Before I move on on the
generation plan, is there
any questions on fuel
charge?

>> Mayor Leffingwell:
Mayor pro tem cole.

>> Cole: I believe during
the rate case we had some
questions about the estimate
for the power [inaudible]
adjustment.

Do we have any -- do we have
any estimates of what that
should be?

At one point we thought it
might be a significant
number and how it was
recalculated.

Do we have any estimates
what that might be yet or am
I -- am I remembering that

[09:12:00]

correctly?

>> Well, the process of
going about determining what
that number is is here.

>> Cole: I'm confused.

I need your help
understanding the 6%
reduction versus --

>> okay, let's go to this
slide right here, 6.

And the -- this year the way
the formula works for
calculating the power supply
adjustment charge, the
system average had
previously been 3.598.

3.6.

And now going forward
effective this october it is
now 3.356 or 3.4.

So it has gone down that
much.

The reason it went down, i
might add, is that we've had
lower gas prices that are
folding into our portfolio
and we've had a pretty good
year of operation.

Not a lot of outages and so
forth.

So we'll see that trend
down, we hope, but you never
know how it's going to
[inaudible].

Does that help answer?

>> Cole: I'm just trying
to understand, I thought you
said -- maybe that was a

projected cost that there was an estimate.

>> Yes, it was 6%.

I think maybe what you are thinking during the rate review, in our cost of service we had estimated and if I remember right it was 73 per secondary and this is 3.72.

But then in January if you remember last year 2011 we had three outages in a row.

That increased our fuel 58 overall.

Then when we recalculated with the new rates effective OCTOBER 1st, IT CAME BACK Down because our over/under recovery was almost imbalanced at that point.

So we brought it back down

[09:14:01]

6% from where it was from the January of 2012.

>> Cole: Okay.

I got you.

Thank you, ma'am.

>> Mayor Leffingwell: With the outage --

>> we had an outage with the sand hill plant within a

six-month period and when that occurs we have to buy power off the market and sometimes it's higher than nuclear or coal plant.

In that instance it increased the psa or the fuel factor.

>> Mayor Leffingwell:
Yeah.

And sometimes depending on whether it's local or statewide it can be -- the price you have to pay can be significantly more and we've seen that.

>> Especially during the peak period.

>> I'm going on to the generation plan.

This is update, current generation plan.

Our generation plan, as you recall, kind of boils down to these three primary goals.

The first is renewable targets, then our energy efficiency, and our co-2 emissions.

Also underlying all of this is that we maintain affordable rates by future increases not exceeding 2% per year and a lower 50% of texas overall as to how we measure up on our rates.

On our renewable energy goal, I'm happy to say austin energy is well on its way to achieving it's 2020 renewable goal.

We've contracted for short-term wind, we have our webberville solar project, this is what's happened this year, and biomass project has come online.

And the los cientos and the

[09:16:02]

white tail project will come on this month.

If they don't bring that up to speed this month, the trigger is that they have tax credits that are really important.

That's why you will see wind projects come on and a lot in december because they are making sure that with their business planning that they take advantage of the full year before the tax credit.

So in terms of construction.

As you remember, council also authorized an additional 200-megawatt wind project this past year, but due to some affordable issues in europe with the counter party we were unable to do that deal.

We're watching and waiting for what's going to happen with congress with respect to tax credits for wind projects.

We expect that there's a good likelihood there will be a two-year extension of those and then we'll again find ourselves back in the market this next year looking at some additional wind acquisitions, not to mention solar and everything else, but I'm just talking specifically about wind projects.

By 2013, ae forecasts 20% of all customers' energy supply will be from renewable -- 27% from renewable sources.

The wind we did acquire is attractive prices and has assisted in our portfolio.

Future additions to meet these goals of 2013 and therefore just a balance, if you will, of making sure that we're within our cost metrics.

>> Morrison: Mayor?

>> Mayor Leffingwell:
Councilmember morrison.

>> Morrison: A note here that we have the local advisory committee about to come to their final recommendations, think thursday they plan to do

that, and then they are going to come to the emerging technology and telecommunications committee.

So we have that to look forward to, but I'm hoping that you and I and some other folks might be able to sit down after those

[09:18:00]

recommendations come out before they get too far ahead to make sure we're all on the same page.

>> I'm aware of that draft and I have taken a look at it.

>> Morrison: I look forward to it.

>> This is just another slide with some nice pictures of these projects.

The biomass facility, we have operational flexibility in that probably at a later quarterly report go into that as to how we operate that.

Moving on to our energy efficiency goals, we have an ambitious target of 800 megawatts achieved by 2020.

Since 1982, on the heels of the carter administration and all of the -- all of

that, that's when austin energy's program started like a lot of other big utilities across the country.

Since 1982 to 2007, 700 megawatts of on peak went to savings that happened through these programs and the additional goal is 800 and we're well on our way to meet that, to take a line and draw it to where we are and where we have to be, we're pretty close to on target.

It will vary year to year but we're on target.

That will be 1500 megawatts between 1982 and 2020.

That's very commendable for the type of loads that we have.

I'm speaking to when -- before I came.

On the co-2 reduction, our goal number 3, the fayette power plant represents approximately 75% of the annual co-2 emissions.

Meeting the goal requires significant reduction of -- I'll have a generation slide in a minute and you can see how that was set up in april of 2010.

Natural gas combined cycle generation is the council

approved plan to meet future supply needs for base generation.

[09:20:00]

At this time, at this point for base generation, that is the generation we need to effectively operate the electric system with inside the market, that is in every case we've analyzed the best choice for base resource.

Here's a familiar chart to you.

Over time the different numbers have been in there, but I want to emphasize the coal number.

If you look on the left, what this shows is to meet our CO₂ level based on operating forecast that we have today, system growth and all in, that we would operate Fayette to the equivalent capacity of 367 megawatts.

That is we would bring the plant's operation down and if you take the hours of the year we run it, et cetera, and do the math, you end up with a nominal capacity of 367 megawatts.

That helps us meet the target and it does that with all of these other majors being completed as well, that is to solar, we have to

have 200 megawatts, wind 1127, all of those other numbers across the site also contribute to the overall CO2 goal so it's all inclusive, but Fayette represents a very large part of that 75%.

This is the plan that we're operating on year by year, quarter by quarter.

I suppose we will be bringing to you changes as we have them since we've started doing these quarterly reports.

>> Mayor Leffingwell: Could I just clarify on that coal capacity, that's just a self-imposed limitation, there's no physical reduction in the capacity.

>> Correct.

>> Mayor Leffingwell: If needed it could be jened back up.

>> That's correct.

And the dynamics of how we do that is a path we've yet to take.

In other words, --
[inaudible] we'll try to

[09:22:00]

optimize to make sure we meet our CO2 goals but we're not going to do

anything to make sure we don't report the reliability.

>> Mayor Leffingwell: Our plan is for local consumption that we would only rely on 367 megawatts instead of 602, but the actu of the plant which would affect co 2 emissions could be affected by lots of outside factors including ercot.

>> Sheryl, do you want to address that?

>> The question is that to meet just the local loads and that's really to meet our co 2 goal.

So that equivalent capacity factor is what will help us achieve co 2.

We blend that with renewables and additional gas that we might add to our portfolio but it's still out there for ercot.

>> Mayor Leffingwell: But you still have with the 367 at that date in 2020, you have enough capacity to meet austin energy's needs.

>> Yes, sir.

>> Mayor Leffingwell: Okay.

Councilmember martinez.

>> Martinez: Expand a little bit more on that.

In this scenario that you mentioned where we're operating at 367 and ERCOT says we need more capacity during peak demand times, go ahead and ramp up to 602, would those carbon emissions be applied to Austin specifically or would the state bear that responsibility, if you will?

>> This is Sheryl Maily, chief operating officer and we'll go back and forth on this.

I think that the idea is that yes, we would run it at 602 during those heavy peak hours and that we will not use it at other times because the CO₂ is really a function of the hours we run the plant, not the capacity of the plant.

So if you take the hours of the year that we're going to run the plant and you do the calculation on that, that's how you end up with the 367.

[09:24:01]

In other words, to meet our CO₂ goals we just have to drop the hours that we run the plant.

But when we have the demands and the ERCOT market, the 602 will come back.

Back.

>> Martinez: And another question I have is in the market as I look forward in your wind and solar, would the cost that psa, is that what you are calling it now?

Would that drive you to use coal at certain times for operation expenses if -- if the fuel charge or the transmission charge from, you know, south and west texas wind and west texas solar, can that force you to use more coal?

>> We're going to be looking to optimize the goals and that means meeting the carbon goals as well past 2020.

And so it will be something we're managing.

When there's opportunity to generate in the wholesale market and produce revenue towards that net settlement that larry mentioned when he talked about the psa, then staff is certainly going to look at those opportunities, but we're also going to be bound to look at carbon goal over time as well.

So it's a giant balancing act that they would be doing down at the energy desk and looking at ways to maximum nice the investment customers have made and get

returns out of assets we own but we certainly also want to be taking those other resources and the renewable resources when they are, you know, competitive in the market.

>> Martinez: Okay.

Thank you.

>> Mayor Leffingwell:
Councilmember Riley.

>> Riley: Aren't the carbon emissions affected by the operation?

In other words, when you ramp up from -- from nothing and then there are significant emissions as opposed to maintaining operation at a lower level.

To the extent that we're reducing our capacity from

[09:26:00]

602 down to 367, is that -- does that signify steady operation at a lower level or does that signify shutting it down numerous times and then starting it up?

>> It's probably more often going to reflect reducing the operation.

In our participation agreement we do have minimum requirements to operate that

unit at minimum load for our share.

While there may be some more starts than in the future, that's really a function of the ERCOT market to some degree and our outages and scheduling of those.

But a lot of it is going to be by reduced output operation as opposed to increased starts.

So instead of operating it this time of year where perhaps there's an opportunity to slide that unit back in favor of our resources either on the wholesale market or -- we'll still be operating at minimum load.

I think you are talking to the start of emissions which when we go through startup there's a window of time that's actually not reported but it does have some emissions during that period of time but outside of our permit we're allowed to do startup.

I don't know the specific number.

We could certainly get back to you if you want on what that number is, but I don't think it a heavy increase number.

>> Riley: Ideally we would see relatively steady operation at a lower level.

>> Correct.

>> Mayor Leffingwell: And another factor is lcra owns half of those two units.

And so even if we reduce our capacity at fayette to zero, those two units would still be operating at 50% capacity and the third unit theoretically at 100% because we don't have any financial interest in that, that part of it.

>> Correct.

And we do have to take our minimum.

We do have a minimum that we need to make sure that the units can operate effectively.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Another way of reaching our co 2 limits and

[09:28:01]

keeping fayette open is put additional emission controls on the fayette plant.

Under that circumstances would it make financial sense for us to do that?

>> First of all, we have to be mandated to do that and there is currently -- there is currently a lot of [inaudible] around the e.p.a. and that.

Right now we don't have any financial plans to add -- the next big rule is called macc and I'll let sheryl speak to that.

>> The additional infrastructure that will be invested in fayette soon to meet the maximum would be in mercury control.

And so that is the next project.

Of course, we remove a lot of our emissions when we added the scrubbers, in the operation in 2011.

There's not really another project beyond those two, the one that we've already made and the macc.

Those are the two rules we have to comply with.

>> Spelman: We have to comply with the macc it's already a requirement?

>> It's upcoming.

>> Spelman: It's in the process.

>> We've done our pilot.

We will be proceeding with engineering and moving into the construction phase of that over the next year's.

[Inaudible].

>> Yes.

>> Spelman: Is there anything else we could do [inaudible] mercury emissions, point where we would be meeting our co 2 goals and still keep the coal plant [inaudible]?

>> There's not any cost effective technology available at that scale to look at reducing the carbon emissions at the fayette plant.

We've heard a lot about clean coal technology and other technologies for future plants.

But for a large plant like fayette to be able to harvest all that co 2, there's not a commercially available technology today.

>> Spelman: So it just wouldn't -- at least with current technology and current market, there's nothing which makes any financial sense which would allow us to keep it going and still [inaudible].

>> That's correct.

>> Spelman: Thank you.

>> And I think the last comment you made about makes financial sense, that's the key to this because as the pollution controls continue to go on to coal facilities,

[09:30:01]

they become at some point uneconomical to do.

This is a big issue across the country.

Fortunately we don't have that much coal as part of our base resource so it's, frankly, easier for austin energy group to be pulling some of these tools out and doing this than maybe some other utilities that have more.

I want to point out on this generation chart, so how do we maintain a cost effective and operation of our grid and make sure we have reliable power to customers.

We're looking at gas.

This is that 800 megawatts that you see up there in 2018.

That's just an estimate of what it would take mathematically to balance the equation.

We have 200 megawatts in 2017.

I think through the rates work we did with you, I think you knew we were planning to add an additional turbine at the sand hill facility.

That's been on the plans for a long time and we've moved it off a couple years, but we really need that.

I think it's important to understand here, I won't get too technical about it, but we're an operator inside ERCOT, we're required to carry reserves, we're required to carry all the balancing we need to operate the many is.

So when we have intermittent resources such as wind and solar, we don't get to count the full capacity of that.

And that's the results, that's how it operates in ERCOT.

It isn't a rule we get to decide how it works, it's the one that all of the market, all the ERCOT market uses.

So that's why it's important that we have a real, real sufficient based load resource and that's why that -- I won't go into why the 35% renewables, but

there's been a lot of science done, a lot of engineering done as to how much renewable can you put inside of a grid and be reliable within the technology we know today.

And that number tends to be around 30%.

Some states have come up with a number that's like 33.

Some have come up with 20.

It depends on the market you

[09:32:00]

are in and how the dynamics work.

But I believe 35 is achievable for us in this market and -- and with that we have to add that compliment of base resources.

Our fleet, on page 13, just a quick review.

What do we have name plate capacity for all of our units in austin energy's fleet.

And here it is.

I just provide that to you for your information.

Give you a scale of how many megawatts each facility has.

Two important charts as we look out for the future.

The first is our energy requirements, and right behind that is our capacity requirements.

So when you look at energy supply for the entire year, this shows our combined cycle facility coming into play and it also shows that we're forecasting that the market purchases in 13 and 16 to make sure that we have a balance of energy.

If we know we are going to do market purchases ahead of time we can do that fairly economically.

The next chart is probably more important.

This shows you what I was just showing on the generation chart.

This shows where we're short in capacity.

So that top number out of our total capacity needs which are on the left-hand side, that is the megawatts that we are short every year in our forecast.

In order to meet the full reserve requirements.

Then the next red line down is with less reserve requirements and then just

to meet our load is the big red line on the bottom.

That's our peak demand of our system.

We try to do the very best we can at forecasting 6789 frankly, with the growth that we have going on in the system right now, these are conservative forecasts.

These are conservative forecasts.

All of the busyness at the

[09:34:01]

bottom of this chart is our solar and wind and everything so you can get a balance as to the capacity of these resources and what the capacity of our total system needs are.

>> Morrison: Mayor?

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Larry, could you go back a little bit and explain the -- what the requirements are above peak?

Is that state driven or is that our policy?

>> It's ercot market driven.

I'll let sheryl explain that.

>> Yeah, the first line that is the dotted line without the diamonds on it, that's our peak ancillary services.

So those are the market obligations.

To participate in the market, as Larry said, for a load, we have to make sure our load is backed up with ancillary load in the marketplace.

The very top line with the diamonds on it would be what our need would be if we had a reserve requirement.

We don't currently have that.

Ercot has a guideline for reserves and so we've used the guidelines to produce that line.

Although it's not mandatory for anyone in the market and that's been under great discussion for the past year there is no absolute way to kick in and produce those reserves in the Ercot market.

It's an energy only market.

But the goal of Ercot is to maintain that and historically Austin Energy when we were our own balancing authority we also would have maintained a reserve and it would have

been a guideline we would have at that time followed.

But it's still a good practice and I think it's good for us to look at that because there is discussion going on to a potential for a reserve market today.

You know, has not decided to go that way but it's been under discussion.

As people with a load like energy is, it's good to keep in mind we have some obligations to look at how we want to produce the reserve for our customers.

>> Morrison: And the reserve is just a way to mitigate risk?

Is that correct?

>> That's right.

It's risk mitigation and it's ercotwide today but we

[09:36:00]

still like to look at that as something we think is important to our customers and reliability to the grid to all of us who have load.

>> Morrison: Thank you.

>> Back to co 2 reduction of fayette, I wanted to show this chart.

The current operation is on the left and the co 2 goal is the horizontal line up between the 4 million and 5 million metric tons.

And over in the right is the reduced fayette power plant replace scenario.

So that is -- that is a framework around what we're studying and we have not made any decisions yet but we have been looking at several different options.

As you know, there was a resolution passed by you last year, I believe, that told us to come back this fall and take a look at some of those options and we've looked at approximately 200 plus iterationings of different scenarios running this and running that and adding more renewables in and doing all kinds of different maneuvers.

But I will say and I'm not surprised that at the end of the day with all of our renewable [inaudible] and everything else, adding this amount of gas, clean efficient burn gas generation, high technology gas generation is -- and most of those -- come out to be our best option.

>> Mayor Leffingwell:
Councilmember riley.

>> Riley: Larry, I wanted to ask you about this.

A minute ago you were talking about a feeling that some jurisdictions have -- ceiling some jurisdictions have placed and it's generally in the ballpark of 30, 35%, which is about the target we've set for 2020.

As we look at options represented to the fayette power plant, a lot of folks

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are asking why we can't replace some of that capacity with renewables.

And from what I'm asked specifically about this slide, as we think about how we make up that capacity, what our options might be that could push us a little bit further along the road of renewables, and in particular there's one idea that a lot of folks have been talking about and i know you've met with some of the vendors who are talking about this and that is the hybrid plant, the hybrid wind, solar, gas plant and i know that's being used in some western states as a way of firming up renewables.

And I realize that's not so much of an issue with our market that we have her under ercot, but it does

raise the question about whether some option like that involving hybrid generation would allow us to push that -- that ceiling a little further.

Whether we could make up some of our fayette capacity with -- through some -- through some means of hybrid generation that would entail some additional new braunfels.

Do you see that as being a -- renewables.

Do you see that as option?

>> In really we are doing hybrid.

So anyone that would bring a product that would be hybrid would be bringing to us the same thing that we're doing.

Because if you look at the addition of -- you have to understand -- I know you know this, but within all of the generation goal we are increasing our amount of renewables.

Even if it's a growing utility, we're not to 35% yet, but when we get to 35 we'll have to maintain 35.

So we'll have to continue to add renewable to that.

We'll have to continue to have energy efficiency goals and all that.

As far as purchasing power to make it a hybrid, in effect we are doing that.

We will go out and buy more wind projects.

But I think directly to your point, for example, if it's financially attractive to

[09:40:00]

us, in other words, we model this and we say, hey, we're going to go out and get a whole bunch of wind energy and use that instead of relying on some gas and we can make it work and it's financially an option to us, we will definitely look at it.

And I think that real opportunity does exist with wind.

It does exist with wind.

>> Riley: Thank you.

>> Mayor Leffingwell: Just to emphasize again that whatever option is exercised, we are always constrained by the 2% per year and remaining in the bottom 50%.

So any option would have to be evaluated against those constraints.

>> Right, and that's kind of why I always jump to the wind equation because under the wind we have recently acquired is in the ballpark to make all that work.

>> Mayor Leffingwell: Yeah, and all this is contracts, I think there all 20-year contracts; is that correct?

>> I believe so.

I believe they are either 20 or 25.

>> Mayor Leffingwell: So that's fixed, etched in stone.

>> Yes, it is.

It's fixed power supply.

>> Mayor Leffingwell: It is.

>> Well, this chart will make you a little dizzy and I apologize, but we really don't have any other way to show this.

We'll continue to work on it and make it larger, perhaps.

But options to be considered, again, are some new gas scenarios and operating and what this

chart shows is up till now
what we've been doing, up to
13, every line shows you the
amount of metric tons of co
2, the various thermal
plants we have for lease.

Then if you go into the
scenario that in 2013 or
2014 we could, whether our
partner wants to buy us out
of fayette or whatever we
want to do, whatever happens
in the market, we show some

[09:42:02]

either continuing to run
fayette, that's that line in
the middle right below the
20% five emissions.

Then we show new gas coming
on.

There's several options that
we have right there.

So we're not at a dead
decision-making point right
now, but this is what we're
studying.

And we're doing all of this
with the ceiling of not
being able to raise the
rates by more than 2% a
year.

So that's one of the huge
metrics that we have over
the top of this to make sure
we are studying something
that's going to be
affordable.

So -- and maybe you have any questions.

>> Mayor Leffingwell:
Yeah, just, again, the other constraint is remaining in the bottom 50%.

And the reason that was imposed was because let's just say hypothetically, not saying it could happen or would happen, but hypothetically the price of natural gas plunged by 50%, 75%, and that would mean that we -- we would -- we might actually be in a scenario hypothetically of having to reduce, not talking about increase 2%, we might have to decrease 2% to stay within that metric.

>> That would be a good problem to have.

>> Mayor Leffingwell: That would be a good problem to have, but the reason for that metric is you have to stay -- even though you are not directly officially competitive, in reality you have to stay competitive.

So if other utilities are dropping their prices because of some windfall event, we would have to do the same.

>> Riley: Mayor?

>> Mayor Leffingwell:
Councilmember Riley.

>> Riley: A number of times we've spoken of carbon emissions.

There are other pollutants

[09:44:00]

we need to be concerned about as a community and those include things like nox and put us into nonattainment.

Is the utility mindful of those other pollute can't or are we strictly focused on carbons?

>> Go ahead.

>> Yes, we do look at those other pollutants.

We spoke about mercury but we're aware of the nox emissions and we're constantly looking at that.

The electric utility recently asked to bring back a report updating them on the nox of the decker power plant so we'll be doing that over the next couple of months.

But we look at the whole portfolio.

>> Riley: As we look at options for replacing fayette, is that part of the calculation?

>> We haven't specifically looked at and tracked the impact on nox emissions, but when he look at purchase of facilities we're looking at all those things and looking to our portfolio as diverse as possible.

>> Riley: Okay.

Thanks.

>> Well, in summary, this plan is designed to be flexible and to meet goals, remain affordable.

Our asset purchasers may impact base and psa rates.

So it -- meaning to say that if we get into a situation where we're adding capital facilities, then it will impact both rates versus just public purchase power.

Our asset additions to reduce fayette are likely to require base rate increase.

Again, all staying within the affordability requirements.

So we made no commitment and ae will continue to study the options and we'll be back with our next report as we get a little closer.

[09:46:00]

>> Mayor Leffingwell: Okay.

Thank you.

Any more questi?

All right.

>> I'm going to turn it over to ann little, senior vice president of finance and on our finan.

>> Good morning.

I will present the financial results for the nine months ENDING JUNE 30th, WHICH IS Our third quarter for fiscal year 2012.

In this slide the first numerical column shows you the amended budget.

That's for the 12-month period.

And then you will see the third quarter projection compared to the actual third quarter and the column to the right is the difference.

If you look at the difference column, you will see that we're favorable throughout this quarter.

Based in other revenues are ahead of budget by \$34.5 million.

In about 22 million of that is in base rate and the remainder is in other reef revenue.

In base rate about a third of it is due to industrial growth, a third is due to commercial and residential growth, and about a third of it is due to weather.

We've had a little bit warmer weather in this quarter than predicted.

But just remember there are base revenue is always forecasted on normal weather.

The fuel revenue is off set, of course, by the fuel costs below that.

And then our expenses are less than budgeted by about \$24 million and that's due to personnel vacancy savings, contract savings and debt service savings.

So the actual third quarter 9 million, about out that's \$58 million less than forecasted so it very favorable at this point.

The largest variance that you saw was in revenues and

[09:48:00]

so I wanted to talk a little more about our revenues.

The top chart shows a four-year comparison of our revenues and the gigawatt hours related to that.

The bars are the revenues and you can see a moderate growth pattern.

Then to the far right the green bar is our budget for comparison.

But what's really interesting is the gigawatt hour line at the top.

And if you compare this year and last year for the same quarter, there's a 4% increase.

And that's due, as I said earlier, to growth and weather for that third quarter period.

Down at the bottom you will see our peak, and, of course, that's a one-time occurrence but it's a good indicator of growth and warmer weather.

And you can see that in this quarter we had the highest peak of the four years, 2702.

But no that the year is complete, we know that that is our peak for the year.

So the last quarter we didn't go past that whereas last year the peak was 2714.

>> Mayor Leffingwell: Are you trying to say the peak normally occurs in the summertime?

>> It does.

It usually occurs in july or august.

It has, of course, occurred in june before, but it a little bit unusual.

This year, though, our nonsummer peak was also due to air conditioning load.

And so what it really says i guess is that our summer started a little bit earlier and ended a little bit earlier than in previous years.

>> Morrison: I'm just glad that you are confident we've reached our peak for the year.

>> Mayor Leffingwell: I was going to say I thought it started earlier and ended later, but I'll take your word for it.

>> This is a look ahead and it shows the 12-month budget compared to our current year estimate for september 30th of 2012.

And again you can see that

[09:50:00]

base revenue is 5 million greater than budgeted and, of course, this is n estimate.

And it's due to the growth
and the warmer weather that
we saw in the first
three-quarters.

Fuel, of course, is off set
by fuel expense.

But then you'll notice in
the middle of the transfers
in from the strategic
reserve fund.

And you may remember that we
came to you and asked for a
transfer in and that was
made in september of this
year.

And it was needed.

We haven't used it, but we
always need to have adequate
cash during our peak months.

That's our high-risk months.

And if we do have an outage,
we have to be able to cover
any of those costs.

The operating expenses are
expected to be even with
budget so we have no savings
there at year end.

Debt service is a little bit
less than expected, and we
expected to convert our
commercial paper earlier in
the year to long-term debt,
and commercial paper
interest is less than
long-term debt.

We didn't do that so we have a savings.

Also we have a debt service reserve fund that we share with water, and as those reserves -- as that debt is reduced, then it releases funds so a little bit of that was recovered to reduce the debt so we have some significant savings there.

Overall we estimate that our deficit will be about 1 million or about \$20 million for the -- 19 million or \$20 million for the year, and that's \$59 million better than expected.

>> Mayor Leffingwell:
Mayor pro tem cole.

>> Cole: I just have a quick question.

It's just unusual to hear such huge swings in what was budgeted and what we actually have.

Can you tell us the top

[09:52:01]

three factors?

Is it really the weather?

>> Weather is always the top factor.

Weather and growth.

Our industrial growth, about 7 million of that is in industrial growth and about 8 million is for commercial and residential growth.

And then probably 8 to 10 million is due to the weather.

So those are the significant items.

>> I wanted to point out that I -- when I first saw these numbers, I too was interested in why, but we've -- you know, our service area is receiving a lot of growth.

And until we actually read the meters and we have the information come in, we don't really understand, you know, where that growth is coming from, but it's from our system.

So we're going to -- so we're exceeding our forecast in terms of system growth and that's indicated not only by weather but also on the chart on page 21 on the third quarter estimate of where we are already in our sales.

>> Mayor Leffingwell:
Councilmember tovo.

>> No, go ahead.

>> Tovo: I guess I just want to pick up on that question.

I was just reflecting on the difficult discussion we had about lowering the revenue requirement by like 3 or \$4 million.

And so to see these estimates come in, I mean the actuals coming in tens of millions of dollars beyond what was anticipated is -- has been indicated kind of a surprise.

Was none of the growth -- i understand you can't predict the weather, but some of the growth that we're experiencing that accounts for some of these increases surely must have been underway when we were looking closely at these issues.

>> Well, actually --

>> Tovo: At what point can you account for that growth.

Do your projections not take

[09:54:00]

into account the residential and commercial growth that must have been underway for it to be online and using energy?

>> Actually our growth is 5% a year, less than 2%.

And this is the third quarter report in our current year estimate is based on that, but actually, as I said earlier, the last quarter we -- the weather was much milder than expected.

So the growth may not be that significant when we get to year end.

It still will probably be less than 2%.

As far as revenue goes.

So while it's growth, especially considering the economy, but it's not predictable, and when you 5% or 2%, it still produces a lot of revenue if it higher than that but that half a percent is too difficult to predict.

Another thing I wanted to point out, the \$20 million deficit, our expense are still it gooder than revenues on this slide and that 19 or \$20 million deficit includes the \$25 million transfer.

So the deficit is much larger when you take that into consideration.

So that was an important thing that we did and it was a budget amendment.

We didn't predict that when we prepared the budget at the beginning of the fiscal year.

>> Mayor Leffingwell:
Councilmember Riley.

>> Riley: Can you speak to where we stand about the utility bond rating?

Are our bond ratings revisited on any particular schedule and where do we stand, if that's the case, where are we on that?

>> We just recently concluded meetings for two days with rating agencies, a

[09:56:03]

teleconference, and I guess my summary of those meetings were they were very positive.

The main fact is that we approved a comprehensive rate package and all of those accompanying pieces of that was, in my opinion, perceived very positively by those agencies.

Fundamentally we're there to take our commercial paper, which is full, and turn that into long-term financing.

And we had been putting that off for some time and we're getting critically low to the point where we were actually using some of the water utility's commercial paper program in order to sustain.

So we got to a place to finance and it's all worked out very well.

We have our rates package and those meetings, from my 57600 suggest or give us advice, if you will?

>> I'll be glad to respond to that.

The rating agencies have clipping services like we have here in the city.

And they do solve a lot of our actions.

We had the opportunity to visit with all three in august, early bond sale prior to that.

At that time, we talked about general fund transfer policy change.

Viewed favorably both for the rating as well as this rating.

They were aware of it already.

We did touch on it again and talk about the fact that it was

a collaborative effort for both the city and the utility.

They were interest in the governance.

They don't give advice.

They look at all of our actions or surprisingly aware of what we're doing.

>> So since they are surprising, where did the conversation say it came up?

>> Oh, yes.

Many of the slides were presented to them.

So, yes, they did talk about that.

>> And how did they view the conversation of --

>> I think my view of it is they were looking for strategy.

They heard a lot of strategy.

They have the plan, the view of this.

The whole strategy is laid out.

They know they're watching many other utilities across the country facing the dilemma.

The fact that they have a lot of expenses coming forward to clean it up and making that cost effective decision about whether we disclose it, take all of the

equipment off of that spot and put brand new gas machines back on or whatever we're going to do.

That's primarily what folks are looking at that they have to operate.

And their expectation of us, i don't think there was an expectation.

But I think they know that we're watching things because we're add kressing the same issues that others are.

To a large degree, it's a measure of peer groups across the country.

Governance or anything else they're doing, they're going to look at fine triple a performing systems and they're going to let that -- that's how they're measured.

>> Seems like they look at us like a very large user customer and that they want a clear pathway, a definitive pathway in policy stability as well in the revenue side but also no mayor peaks and valleys.

If we want to ramp down fayette, they're probably fine with that as long as they have a steady path way to achieve that without any vulnerability.

>> Specifically we talked about the fact that how we would phase it.

How nay would pull the question in.

Is that affordable?

We're not doing any analysis.

Everything is with the 2%, right?

We use that with the lid.

We can look at any scenario.

That's what we're looking at.

A positive story because it's longer term and strategic.

>> One last comment if you think about what the council has recently accomplished in the last 75 years, you have a generation plan that sets policy, changed your transportation policy and you now have firmly rate policies as well as affordability.

You covered cost structure as well as how they're going to meet the cost structure from their perspective.

That's fairly positive going forward.

We have consistency with our policies and they all work together.

>> Mayor Leffingwell: They were specifically briefed on the new transfer poll sni.

>> Yes.

>> Mayor Leffingwell: That's a positive too, I think.

>> This is the last slide.

We near the process of working on some performance measures and benchmarking.

And so with the next quarterly report, we should have the results for you on that.

That's the final slide.

>> Mayor Leffingwell: Okay.

Thank you very much.

Great job.

So, we'll move on -- I only have two items that were named by councilmembers for discussion.

That's 27 and 28.

Councilmember tovo?

>> Tovo: Go --

>> Mayor Leffingwell: Yeah.

>> Tovo: Yeah, I wanted to also just ask if we could add maybe a five-minute discussion next week to our agenda just to talk a little bit about the citizens forum, what worked well, what we might want to do differently next time, again, about a five-to-seven-minute discussion for next week.

>> Mayor Leffingwell: Yeah, give me the topic again?

>> Tovo: The citizen's forum that we had this past saturday.

>> Mayor Leffingwell: This citizen's forum.

>> Tovo: I heard in passing some suggestions.

I wanted to capture that before we move too far beyond it so the next time we could learn.

>> Mayor Leffingwell: About a year ahead of that discussion.

>> Tovo: Mostly.

We don't have to have that discussion right away.

I wanted to ask transportation staff about the analysis that they provided.

>> Mayor Leffingwell: 45 minutes.

>> Tovo: Encouraging.

So I noticed we did get a mow.

We referred to it on saturday, the taxi cab analysis.

It didn't include the earnings.

Specifically and I think the cab drivers were specifically interested in the council having data about how their earnings had been impacted by the -- or how their income had been impacted during the same months where the additional permits were out on the street.

So I -- I asked a couple of questions through the q&a process.

And also was able to get some taxi cab permit comparison data from the transportation department, thank you very much for that.

I'm going to pass it out to my colleagues.

So that you all have access to it as well.

>> Thank you.

>> Tovo: This was referred by the transportation department, is that right?

The taxi cab comparison?

>> Yes, councilmember tovo.

Gordon barrett, transportation department.

Yes, this was taken by the data provided by the three franchises.

>> Tovo: So it's my understanding that during the period of time you were looking at, which is july, august, and september of 2011 and comparing that to july, august, and september of 2012, there were several increases.

The rates went up 10 cents a mile.

The wait time, the rates for wait time went up and we also implemented a \$1 per passenger surcharge in that period of time.

There were substantial increases, relatively substantial increases that the cab drivers would be experiencing in terms of their fares.

But during that same period -- but because of the permits -- well, I would argue that the permits had an impact on them, what the data reflects is the decrease in the average income per taxi.

It's down about 5.59%.

And the average income per hour is count about 12%.

Is that what your analysis showed?

>> Well, I think I would like to differentiate -- the data provided is for what the fares are.

We have no data about what tips might be provided to the driver.

So that's one of the reasons why we -- we didn't feel real comfortable speculating about tip rates to really give you a revenue picture of what the drivers are getting a all of the data we have is what the franchise provides us on a number of trips.

And the fares paid for those trips.

That's what they get from their trip meters.

So, to me, the kind of bottom line information is, we had about a 1% decrease in total trips taken in 11 we had a/c during the three-month period.

In 2012, we did not have a/c during that.

So part of that would be -- but normally we would think of the growth as being greater than that over from year-to-year.

>> Tovo: What do you mean by that?

Normally we think of the growth being greater than that from year-to-year?

>> Well, what we've seen, like we saw last year, you know, the indicator we had is the number of trips dispatched from the airport.

That's been going up pretty consistently as the pattern so, that 1% decrease in the number of trips in that generated -- but because of the increase in the fare structure, that was a 1% increase in fares produced from that.

But, again, we don't know what other monetary compensation there might have been for drivers.

>> Tovo: But you don't have that -- I mean, you don't have that data for the year before either.

I mean tips aren't factored into the 2011 income numbers.

And so they're not factored into the 2012 income factors data either.

So it's apples to apples as far as that goes.

We don't have tip information for either -- either year so we're just going to discount that.

But still, you have a 6% increase in the number of cabs and you have what I read as a 38% increase in the number of taxi hours on duty.

And a substantial decrease, you 5%, almost equivalent to the increase in the number of permits.

You've got the income -- the average income per taxi driver decreasing by almost the same amount you have the number of 59 decrease in income compared to a 6% increase in taxi cab permits.

I think this is something we should pay attention to.

It does seem that the numbers -- correlation doesn't equal causation.

More and more time when more permits were on the street, the cab drivers did experience a decrease in their income and increase -- they're working longer hours and that's documented by the franchise numbers.

And, you uh know, again, I would argue it's a significant concern.

The cab drivers who have seen this information said that it also doesn't account for some of the increases they've experienced in the memo fees.

Your memo says you can't verify the -- let's see.

It said it couldn't verify --

>> right, the terminal fees, i don't want to say the driver owns the vehicle or we lease the vehicle.

One company is increased austin cab in the last year.

And then from 235 to 255.

And the other two companies have kept their terminal fees the same.

Lone star as we talked to you about several months ago, they have a a reduced terminal fee for anyone who hasn't register in the airport.

We understand two out of their 30 new vehicles, only 32 of them register at the airport.

So the only terminal fee increase we've heard of is, again, the austin cab.

>> I thought I heard one other one.

If you don't have that information, then I don't want to repeat it.

>> Again, a lot of ancillary charges so we just asked what the terminal fees are.

If they increased the lease rates or anything.

>> We're aware of the increase.

One of the three franchises, so, again, just to summarize, in the period of time you know, during the -- there was some structural increases -- there was some structural increases that should have yielded more income for taxi cab drivers, the passengers that are charged, the increase in the rate, the increase in the wait time rates.

But the data shows that taxi drivers' income went down.

They're working substantially longer hours.

Not clear if it's 13% as you 38% increase as noted on the taxi cab permit comparison data.

But somewhere between 13% and 14% that they're working longer and it bears repeating they're making less.

Sorry, whether it's 13 or 14, so roughly 6% -- we put 6% additional permits on the street.

So the people work the same hours, that would be 6%.

The other drivers worked 6% to 7% more hours, basically a pretty flat market.

So.

>> I guess do you -- I mean, do you agree with my conclusions that it seemed like we ought to consider that there's a relationship between the increased number of permits on the street and some of the increasing number of hours our cab drivers are working and the decreasing income they're bringing in?

Or is it an unfair question to put to you?

>> I think it's unfair.

>> Tovo: I withdraw.

>> We're reviewing the information.

So I feel safer to say here's the information.

>> Tovo: Got it.

Mayor?

>> Mayor Leffingwell: Are you?

>> Tovo: I'm done, thanks.

>> Mayor Leffingwell:
Councilmember morrison?

>> Morrison: This is helpful
information.

I want to go back to the one
thing you mentioned, the acl was
include in the july, august,
september.

In september of '11 and this
year it was in october.

That could skew the data.

Could you give us a sense of --
my guess is there's a huge
number of taxi trips in the acl
that could impact the numbers
here.

In your memo, you mentioned this
data is not available until
after the end of the month.

So it's not impossible for you
to even incorporate the october
data.

I presume it will be available
on wednesday or thursday.

How quickly could you redo this
incorporating october data?

>> Probably a week or so.

Because by the time --

>> carlton thomas, austin
transportation department.

The franchises will not report
that information until the 15th
of the following month.

>> Morrison: The 15th.

If we wanted to wait for that,
we'd have to wait for another
meeting in december, I guess.

Thank you.

>> Correct.

The new variable we haven't had
in the past, formula one coming
to town in november.

We've never had a november event
like that.

So there's two -- there's acl
and formula one that might --
well, they're not going have a
significant increase, but
hopefully give it back moving in
the right direction

>> Morrison: Everybody taking
hell copters instead.

Also on the timing of these
items, on the agenda, is there a
time frame in which we need to
approve them or not?

>> Again, these are third
readings based on the action the
council took last december.

So

>> Morrison: I'm wondering if they have to be approved within 30, 90 days.

There's always so many surprising little details to work out.

>> The regulatory area.

From the city of attorneys, we understand there's a minimum time frame, but not a maximum one.

>> Morrison: Thank you.

>> Mayor Leffingwell: I have a question.

This goes the opposite way of what councilwoman tovo was announced not getting enough hours.

I've had complaints and others have too about working too many hours.

From what I understand, i haven't looked at it myself, but what I understand from the driver is that there is a 12-hour limitation that they can be on duty then they have to have a break.

But they can take a five-minute break and come back for another 12.

This is for the future, not necessarily action on this item, but something to discuss in the future is could there be other

constraints to make sure there's not that abuse.

I would suggest something like mandatory eight-hour break and 24 mandatory eight-hour break after a 12-hour shift, something along those lines to ensure that someone couldn't really work 23 hours and 50 minutes with a five-minute break in the middle there, or a ten-minute break.

>> Mayor, the current ordinance says if they work a 12-hour shift, they have to take eight hours off.

In theory, they could work 16 hours in 24.

But I understand, someone pointed out if they work 11 hours and 59 minute, in theory, they could take off five minutes.

So if that's an issue, we can work with the city.

>> A maximum number of hours in a 24-hour period.

Something to look at in the future.

For safety.

This is not an economic issue.

>> Tovo: I don't think we're going in opposite directions.

That's part of what's reflected when we see a 14% increase in the number of hours, a concern

that the cab drivers themselves have said they're work long hours and are concerned about safety but they feel they need to make the same living that they were making before.

>> Mayor Leffingwell:
Councilmember Spelman was next.

Did you have something?

>> Spelman: I did.

How long have we been collecting information on total miles, eight miles, number of passengers, stuff like that?

>> That's the standard reporting.

Three years?

>> At least three years.

It's always been required of the franchises.

>> Spelman: We're looking at month-to-month comparisons between July '11 and July '12 and so on.

When you look at month-to-month comparisons, a lot of things can happen.

Weather, small changes in the number of commercial hours, the context of Austin energy, things like that.

Is there a way we can back up and maybe look month-to-month or an annual comparison so we don't

have worry about the timing of
acl and how hot it was in august
of 2009 over a several year
period to get a sense of the
trend of the taxi passengers,
taxi fares, things like that?

We can certainly do that.

>> Spelman: How far back can we
go, gordon?

>> Three, four years.

Additional data, we might be
able to go back -- we'll look at
the data we have available, what
we can bring to you.

What we can do with the data.

With our growth overtime with
permit changes, it would be
interesting to see what the
trends are.

>> Tovo: We've been saying a
lot of things about what the
monday report would say and how
many cabs fwheed in order to
deal with the demand.

I haven't seen the demand time
series.

If we had a sense of what the
demand time series would look
like for the long haul, we could
have a better sense of where we
were relative to where we've
been.

>> We have begun asking more
detailed information about how
many taxis are available during
spisk hours of the day so we can

start to look at what the trends are for service in the evening.

And during the day, we asked that of the franchises, we asked for information about the accessible vehicles, you know, when they are on the street and how many trips they're taking.

So I think the light that's been brought on this issue, we're asking for a lot more information.

Moving toward having all three of the electronic dispatching so we can get trip-by-trip information, if we want to drill down to that so we can look spatially at what the demands are.

So I think we're getting a lot more sophisticated, a lot more data will be available in the future.

>> Not sure all that data is something we'll be able to depart.

But I look forward to what you said.

Do we have any information on dispatched triples.

One of the arguments for giving lone star particularly more permits they needed more permits in order to mount a dispatch operation.

Having two competing dispatch operations was for many of us

the argument in favor of giving lone star the permits.

Do we have a long time series on dispatch or any information at all on dispatched trip s?

>> Previously that information has been spotty.

We're moving towards electronic reporting to have more reliable data.

So as we go back further in the years, we can't count on the information we have.

>> Spelman: We did ask the question, we just didn't get the information?

>> Exactly.

>> Spelman: Even if the data are unreliable, we could have a sense of the spotty, possibly inaccurate data looked like.

If you could include where asterisks is appropriate, it would be helpful for me to understand where roughly we've been.

>> We'll scrub our records.

>> Spelman: Thank you.

>> Mayor Leffingwell: Mayor pro tem.

Excuse me, councilmember martinez is next.

we've been talking about the monday report and also the formula.

Now we have data that shows that the cab drivers are working longer, the wait times have increased, and they're making less money.

Now what?

Do we have any sense for what would have happened if we would have just issued the permit purely based on the recommendations of the upc?

>> I think the permits that are currently out working are consistent with what the formula said.

Now we've been tracking the data at the airport and the growth data.

The formula this year will probably be flat.

It may only be 1% or 2%.

We just had a big bump last year.

Again, formula one is what it could be, that may pump up quite a bit.

So again, we heard from you that we want to have future discussions about the formula.

We've got some ideas about how we could modify the formula to

take into account the -- some of the issues that we're seeing.

Also to incentivize the franchises to make sure their drivers are getting triples.

So I think there's a way to move toward that.

And, you know, have to say we're a year and a half out from redoing all of the franchises.

So we will have another opportunity.

>> So the issues we're seeing being brought forward that we've never done, you think we can address in the future when we issue the new permit and as we modify the formula?

Yes.

>> Okay.

>> Yes?

gordon talking about future modifications to the formula.

The concerns that are being expressed now can be addressed at a later time as we gather more information?

>> Yes, there's a lot of discussion.

But a formula that has a cap, the cap is based on how good the franchises are doing in getting trips for their drivers would

lead to both balance the interest of the two parties.

So I think there's something to be discussed and something we can improve as we move forward.

>> Mayor Leffingwell:
Councilmember martinez is next.

>> Martinez: I think if we're going to -- I think we should start seeking more information so we can understand the industry better.

But if all three franchises are opening in a year and a half, we need to start working on it now.

We need a master plan today of all of the topics we're going to discuss.

All of the contemplated changes.

I care say it's not an opportunity.

I wouldn't call it that at all.

It's going to be a lot of work.

Because if you talk about having to stay on the street longer and your passenger pickups are less, that could happen as you issue more permits because more cabs go to the airport and sit in queue.

There for you have to sit longer and wait for the same average number of customers so you make less triples.

So that could be a reality.

But we also need to parse out and maybe even come up with in the new franchise agreements stipulations as to how many cabs per franchise can sit at the airport in queue or if they're a green fleet as councilmember riley has suggested give preferential treatment for incentiveizing them to turn their fleet over to a much greener fleet.

All of these things, I think we have to work on it now.

If it's utc, fine, but honestly, my first -- just throwing an idea out there, I would say it might have to be an ad hoc committee outside.

We want cab industry folks, customer folks, thole, motel folks.

Everybody who is really impacted by the cab industry needs to be a part of this discussion.

And I'm open to any suggestions but I throw out there on the table that maybe a couple of us can come up with an item from council stipulating or -- not stipulating but directing the city manager to help us create the ad hoc committee and the master plan for everything that we're going to talk about.

Because a year and a half is quick in council time.

We spend a year negotiating with police, fire, ems, we can at least dedicate a year to this.

>> Mayor Leffingwell:
Councilmember morrison?

>> Morrison: I think you're absolutely right, councilmember martinez.

I wanted to get the issue -- i seem to recall we had in one of our resolutions sometime ago a request as we move forward in this that we look at all of the aspects of the franchise agreement that are gaucheble and what we have the authority to put into a franchise agreement in terms of, for instance, limits on certain fees and things like that.

Am I right that we asked you all to do something like that?

>> That is correct.

We provided council with a detailed report.

It may have gone out to you in april.

I'm not certain.

But we can definitely redistribute that.

>> Morrison: If you could, please.

I appreciate it.

I apologize if I missed it.

There were a few other things going on.

But I think that's going to be important too in that discussion to help level the playing field.

One other question.

We were provided a memo from the taxi drivers.

I think it was yesterday in response to your memo.

I don't know if you had a chance to see it.

One of the things that they brought up that we haven't discussed yet is the potential impact of nontaxi dispatches from the airport.

And some of numbers that are here are that during july, august, and september, between 00 -- 2011 and 2012, the total number of taxi dispatches from the airport went down 11.9%.

And so that also could be impacted by the acl noninclusion this year.

But they also suggest that the number of nontaxi dispatches from year-to-year between '09 and '12 has gone up by 234%.

Can you talk about what those dispatches are?

The nontaxied dispatches?

>> We know limousines, supershuttles, hotel shuttles, all service the airport in addition to taxis.

We heard some anecdotal information that those have increased and, of course, the data from the airport that they have directly represents that.

As to the market between taxis, we have to get the data to see how many of the operations, how many people are actually carries out.

It's a long term look at all of our vehicles for hire, the whole spectrum, to make sure they're balanced and we have rules so they're all serving the niche -- the appropriate niche as we've been talking about.

Other things seem to pop up every once in a while.

>> Morrison: They do.

To be clear, these numbers for nontaxi dispatch apparently do not include super shuttle, show --

>> at a recent utc meeting, the council for tdaa provided that information.

What she conveyed to the commission was that during the downturn, a lot of the hotels, local hotels, moved away from providing courtesy service to the airport.

And that has since improved.

So when given a choice between taking a taxi and a free courtesy vehicle, the courtesy vehicle ridership and the taxi departures went down

>> Morrison: That makes sense.

Your ear right, gorton, not just at the airport, but we have a lot of stuff going on, especially in the center city.

So it's a big balancing act.

>> Martinez: Mayor?

>> Mayor Leffingwell:
Councilmember martinez?

>> Martinez: Great information but we've seen an increase in cap metro.

It has an impact on the taxi cab triples.

The flir specifically circulates the downtown route and goes to the airport every half hour on the half-hour and it's a dollar.

We're doing everything we can to encourage customers to do that, but it could be a direct number impact on the amount of those coming out of the airport via taxi.

>> Mayor Leffingwell: Anything else?

That's it.

It's a good thing.

Any other items for discussion?

Councilmember morrison?

>> Morrison: I didn't pull this ahead of time and would be surprised if there's any staff that could answer questions for us on this.

But I've been interested in two related items, 7 and 56.

And what 56 is, it's -- basically it's about allowing -- it's doing a license agreement with sea home developers to allow them to use some of our parkland along the lake for rainwater storage and water quality.

My guess is staff isn't going to be here to answer questions.

I wanted to raise that to my colleagues.

I do have questions, number one, about exact law li how that will work.

And I have heard a couple of concerns about using our parklands for water quality purposes and how that's going to -- whether that's a good troed be going down.

So we're submitting the questions and maybe the questions will be answered.

I might be pulling that for discussion on thursday.

>> Mayor Leffingwell: Okay, anything else.

Without objection, we're adjourned at 10:40.